

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 03-23
	)	
GRANT THORNTON, LLP	)	
	)	
Respondent.	)	
_____	)	

CONCILIATION AGREEMENT

On or around May 2003, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondent, Grant Thornton, LLP ("Grant"). Grant is registered with the Business Registration Division for the purpose of the practice of public accounting and consulting, whose mailing address is 800 One Prudential Plaza, 130 E Randolph, Chicago, Illinois. The Hawaii office address is 1132 Bishop Street, Suite 1000, Honolulu, Hawaii. Roy Y. Morihara is the current managing partner and Howard R. Hanada is a partner. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Grant and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondent pursuant to section 11-216(g),  
HRS.

- III. That Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondent enters into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
  - 1. On or around May 2003, Grant through their attorney, acknowledged that Grant may have inadvertently made contributions to the campaigns of Ben Cayetano ("Cayetano"), Mazie Hirono ("Hirono") and other candidates in potential violation of the campaign finance statute.
  - 2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
  - 3. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or

committee in connection with a nomination for election or election, in any name other than the true name of the person who owns the money or who supplied the money or property.

4. Section 11-204(h), HRS reads as follows: an individual and any general partnership in which the individual is a partner, or an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
5. The Commission finds that during the review period of 1996 to 2002 Grant, partners and family members made contributions to various candidates in excess of \$63,000.
6. The Commission finds that for the period under review Grant partners and family members made contributions to Cayetano in the amount of \$34,000 as follows:

Howard Hanada	2/96	\$5,000
Audrey Morihara	2/96	\$2,500
Roy Morihara	2/96	\$2,500
Laura Chong	2/96	\$2,500
Norman Chong	2/96	\$2,500
Garrett Serikawa	2/96	\$5,000
Sheri N. Hanada	10/98	\$6,000
Audrey Morihara	10/98	\$3,500
Laura Chong	10/98	\$3,500
Garrett Serikawa	10/98	\$1,000

7. The Commission finds that for the period under review Grant partners and family members made contributions to Hirono in the amount of \$13,100 as follows:

Garrett Serikawa	6/97	\$1,000
Howard R. Hanada	6/98	\$2,000
Sheri N. Hanada	6/98	\$2,000

Roy Morihara	6/98	\$2,000
Heather L. Chong	6/98	\$1,000
Norman T.S. Chong	6/98	\$2,000
Lauren Kawabata	6/98	\$1,000
Howard R. Hanada	8/00	\$ 700
Roy Morihara	8/00	\$ 700
Alan M.L. Yee	8/00	\$ 700

8. The Commission finds that for the period under review a Grant partner made contributions to the Linda Lingle campaign in the amount of \$2,125 as follows:

Alan M.L. Yee	10/98	\$ 200
Alan M.L. Yee	10/98	\$ 200
Alan M.L. Yee	11/98	\$1,600
Alan M.L. Yee	4/00	\$ 125

9. The Commission finds that for the period under review Grant partners made contributions to the Jeremy Harris campaign in the amount of \$4,250 as follows:

Garrett Serikawa	9/96	\$2,000
Howard Hanada	8/99	\$ 250
Howard Hanada	11/01	\$ 500
Roy Y. Morihara	10/01	\$ 500
Alan M.L. Yee	11/01	\$ 500
Wilcox Choy	1/02	\$ 500

10. The Commission finds that for the period under review Grant partners made contributions to the Kimo Apana campaign in the amount of \$1,500 as follows:

Howard Hanada	7/01	\$ 500
Roy Y. Morihara	7/01	\$ 500
Alan M.L. Yee	7/01	\$ 500

11. The Commission finds that for the period under review Grant partners made contributions to the Jon Yoshimura campaign in the amount of \$3,000 as follows:

Norman Chong	5/98	\$1,000
Roy Morihara	5/98	\$1,000
Howard Hanada	5/98	\$1,000

12. The Commission finds that in 1998 and 1999 Grant partners and former partners made contributions to the following candidates:

Norman Mizuguchi	Roy Morihara	\$ 250
Calvin Say	Roy Morihara	\$ 250
Bertha Kawakami	Garrett Serikawa	\$ 100
Rene Mansho	Garrett Serikawa	\$ 200

13. The Commission finds that Alan M.L. Yee made a \$1,000 contribution to the Mufi Hannemann campaign in December 2001.
14. That Grant failed to file state contractor reports, pursuant to section 11-205.5, HRS.
15. That Grant failed to file an organizational report, pursuant to section 11-194, HRS.
16. That Grant failed to file disclosure reports, pursuant to sections 11-212 and 11-213, HRS.

## VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #03-23, Grant understands and agrees to the following:

- (A) Grant agrees to an assessment of **Sixteen Thousand Dollars (\$16,000)** pursuant to section 11-228, HRS.

(1) For violation of section 11-202, HRS, making contributions in the name of another to candidates for the 1998 election period.

(B) Grant became aware of potential violations in early 1999 and ceased the practice of reimbursements of campaign contributions made by officers, employees and family members.

(C) Grant agrees to comply with campaign finance statutes on contributions and expenditures to candidate committees.

(D) Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

X. This Agreement constitutes the entire agreement between the Commission and Grant on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

**FOR THE COMMISSION:**

Robert Y. Watada, Executive Director

By: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE RESPONDENT(S)**

Roy Morihara

By: \_\_\_\_\_

(Name)

(Title)

Date: \_\_\_\_\_